

2009 DRAFTING REQUEST

Bill

Received: **12/10/2008**

Received By: **mshovers**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget 6-1923**

By/Representing: **Hynek**

This file may be shown to any legislator: **NO**

Drafter: **mshovers**

May Contact:

Addl. Drafters:

Subject: **Local Gov't - tax incr financing**

Extra Copies: **EVM**

Submit via email: **YES**

Requester's email:

Carbon copy (CC:) to:

Pre Topic:

DOA:.....Hynek, BB0255 -

Topic:

Department of Revenue to impose annual fee on tax incremental financing (TIF) districts

Instructions:

See attached. DOR must impose an annual fee of \$150 on active TIF districts.

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?				_____			S&L
/1	mshovers 12/10/2008	jdyer 12/11/2008 jdyer 01/22/2009	phenry 12/11/2008	_____	sbasford 12/11/2008		S&L
/2			rschluet 01/22/2009	_____	lparisi 01/22/2009		S&L

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/3	mshovers	kfollett	phenry	_____	lparisi		
	01/27/2009	01/27/2009	01/27/2009	_____	01/27/2009		

FE Sent For:

<END>

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/2			rschluet 01/22/2009		lparisi 01/22/2009		
/3	MES 1/27/09		1/27/09	1/27/09			

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/1	mshovers 12/10/2008	jdye 12/11/2008	phenry 12/11/2008		sbasford 12/11/2008		

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Subject: **Local Gov't - tax incr financing**

Extra Copies: **EVM**

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Pre Topic:

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Department of Revenue to impose annual fee on tax incremental financing (TIF) districts

Instructions:

See attached. DOR must impose an annual fee of \$150 on active TIF districts.

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	mshovers	12/10 jld	12/11 ph	12/11 ph/8f			
11 NES		12/10/08					

FE Sent For:

<END>

2009-11 Budget Bill Statutory Language Drafting Request

- Topic: Tax Incremental District Annual Fee
- Tracking Code: BB0255
- SBO team: Tax, Transportation and Budget Development
- SBO analyst: Sara Hynek
 - Phone: 266-1923
 - Email: sara.hynek@wisconsin.gov
- Agency acronym: DOR
- Agency number: 566
- Priority (Low, Medium, High): Low

Intent: Assess an annual fee of \$150 per active tax incremental district to fund costs associated with the department's TID administration activities. Affected statute sections: s. 60.85(6)(a), s. 66.1105(6)(a), s. 66.1106(7)(a) and s. 20.566(1)(go).



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-1093/

MES.....

Handwritten: LMR, jld

DOA:.....Hynek, BB0255[✓] - Department of Revenue to impose annual fee on tax incremental financing (TIF) districts

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

Handwritten: ✓ Do not open ✓

Handwritten: the budget

- ① AN ACT ...; relating to: requiring the department of revenue to impose an annual
② fee on tax incremental financing districts and making an appropriation.

Analysis by the Legislative Reference Bureau

LOCAL GOVERNMENT[✓]

This bill requires DOR to impose annually an administrative fee of \$150 on each tax incremental district (TID)[✓] or environmental remediation TID (ERTID)[✓] for which DOR[✓] authorizes the allocation of a tax increment. The fee is imposed on the city, village, or town (municipality)[✓] that created the TID[✓] or on the municipality[✓] or county that created the ERTID[✓], and the political subdivision[✓] on which the fee is imposed is required to pay the fee to DOR.[✓]

Handwritten: DFE - SL ✓

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

- 3 SECTION 1. 20.566 (1) (go)[✓] of the statutes is created to read:
4 20.566 (1) (go) Administration of tax incremental financing districts. The
⑤ amounts in the schedule[✓] to provide for the department[✓] of revenue's administration of tax

1 incremental districts under ss. 60.85, 66.1105, and 66.1106. All moneys received
2 from the administration fee under ss. 60.85 (6) (am), 66.1105 (6) (ae), and 66.1106 (7)
3 (am) shall be credited to this appropriation.

4 *NOTE: bud*
SECTION 2. 60.85 (6) (am) of the statutes is created to read:

5 60.85 (6) (am) With regard to each district for which the department of revenue
6 authorizes the allocation of a tax increment under par. (a), the department shall
7 charge the town *which e that* created the district an annual administrative fee of \$150
8 *which e that* the town shall pay to the department.

9 SECTION 3. 66.1105 (6) (ae) of the statutes is created to read:

10 66.1105 (6) (ae) With regard to each district for which the department of
11 revenue authorizes the allocation of a tax increment under par. (a), the department
12 shall charge the city *which e that* created the district an annual administrative fee of \$150
13 *which e that* the city shall pay to the department.

14 SECTION 4. 66.1106 (7) (am) of the statutes is created to read:

15 66.1106 (7) (am) With regard to each district for which the department
16 authorizes the allocation of a tax increment under par. (a), the department shall
17 charge the political subdivision *which e that* created the district an annual administrative
18 fee of \$150 *which e that* the political subdivision shall pay to the department.

19 (END)

Shovers, Marc

From: Hynek, Sara - DOA [Sara.Hynek@Wisconsin.gov]
Sent: Tuesday, January 20, 2009 11:20 AM
To: Shovers, Marc
Subject: FW: LRB Draft: 09-1093/1 Department of Revenue to impose annual fee on tax incremental financing (TIF) districts
Attachments: 09-1093/1.pdf

Hi Marc –

The intent of the fee created in this draft was to help the deficit that is ongoing in the appropriation under 20.566(2)(hm). It looks here like you have the new fee running through a new appropriation, which I don't think is what we wanted. We would like it to fund the activities under (2)(hm) – does that make sense, or did you do it different for a specific reason? Also, can we provide that the fee be paid no later than May 15?

Also, DOR pointed out that there is no effective date, although I imagine this provision would just go effective when everything else goes effective without an otherwise specified date – is that right? Just so I can tell them when it would be applicable.

Sara Hynek
Dept. of Administration
608-266-1923

From: Henry, Patty [mailto:Patty.Henry@legis.wisconsin.gov]
Sent: Thursday, December 11, 2008 12:54 PM
To: Hynek, Sara - DOA
Cc: Grinde, Kirsten - DOA; Hanaman, Cathlene - LEGIS; Beadles, Kathleen - DOA
Subject: LRB Draft: 09-1093/1 Department of Revenue to impose annual fee on tax incremental financing (TIF) districts

Following is the PDF version of draft 09-1093/1.

01/20/2009



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-1093/12

MES:jld:ph

RMR

DOA:.....Hynek, BB0255 - Department of Revenue to impose annual fee on
tax incremental financing (TIF) districts

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

D-NOTE

don't gen

administrative
fees imposed on tax incremental districts
by the Department of Revenue

1

AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

LOCAL GOVERNMENT

This bill requires DOR to impose annually an administrative fee of \$150 on each tax incremental district (TID) or environmental remediation TID (ERTID) for which DOR authorizes the allocation of a tax increment. The fee is imposed on the city, village, or town (municipality) that created the TID or on the municipality or county that created the ERTID, and the political subdivision on which the fee is imposed is required to pay the fee to DOR. *by May 15th*

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 20.566 (1) (go) of the statutes is created to read:

20.566 (1) (go) *Administration of tax incremental financing districts.* The amounts in the schedule to provide for the department of revenue's administration

9
1 of tax incremental districts under ss. 60.85, 66.1105, and 66.1106. All moneys
2 received from the administration fee under ss. 60.85 (6) (am), 66.1105 (6) (ae), and
3 66.1106 (7) (am) shall be credited to this appropriation.

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

4 SECTION 2. 60.85 (6) (am) of the statutes is created to read:

5 60.85 (6) (am) With regard to each district for which the department of revenue
6 authorizes the allocation of a tax increment under par. (a), the department shall
7 charge the town that created the district an annual administrative fee of \$150 that
8 the town shall pay to the department. *no later than May 15th use 3 times*

9 SECTION 3. 66.1105 (6) (ae) of the statutes is created to read:

10 66.1105 (6) (ae) With regard to each district for which the department of
11 revenue authorizes the allocation of a tax increment under par. (a), the department
12 shall charge the city that created the district an annual administrative fee of \$150
13 that the city shall pay to the department.

14 SECTION 4. 66.1106 (7) (am) of the statutes is created to read:

15 66.1106 (7) (am) With regard to each district for which the department
16 authorizes the allocation of a tax increment under par. (a), the department shall
17 charge the political subdivision that created the district an annual administrative
18 fee of \$150 that the political subdivision shall pay to the department.

19 (END)

d-note
↓

INS 1-2

I
programs

Section #. 20.566 (2) (hm) of the statutes is amended to read:

I
and environmental remediation
tax incremental

20.566 (2) (hm) Administration of tax incremental financing program. All moneys received from the fees imposed under ss. 60.85 (5) (a) and 66.1105 (5) (a) to pay the costs of the department of revenue in providing staff and administrative services associated with tax incremental districts under ss. 60.85 and 66.1105. and 66.1106

History: 1971 c. 108 ss. 2, 3, 6; 1971 c. 125 ss. 164, 173, 174, 175, 176; 1971 c. 211, 215; 1973 c. 90; 1975 c. 39 ss. 201, 732 (1); 1977 c. 29, 31, 418; 1979 c. 34 ss. 610m to 617, 2102 (46) (c); 1979 c. 63 ss. 3, 6; 1979 c. 177, 221; 1981 c. 20; 1981 c. 86 ss. 7, 71; 1981 c. 328 s. 4; 1983 a. 27 ss. 469 to 477; 1983 a. 368; 1983 a. 410 s. 2202 (38); 1985 a. 29 ss. 536 to 537r, 3202 (39) (a), (46) (c), (i); 1985 a. 41, 120; 1987 a. 27 ss. 444 to 458, 3200 (47); 1987 a. 92; 1987 a. 312 s. 17; 1987 a. 399; 1989 a. 31, 335; 1991 a. 39, 259, 269; 1993 a. 16, 205, 263, 490; 1995 a. 27 ss. 546h to 546t, 1111mm to 1119r; 1995 a. 56, 227, 351; 1997 a. 27, 35, 41, 63, 148, 237, 252; 1999 a. 5, 9; 1999 a. 150 s. 672; 1999 a. 167; 2001 a. 16; 2001 a. 30 s. 108; 2001 a. 109; 2003 a. 33, 127, 139, 176, 231; 2005 a. 25, 71, 323, 460; 2007 a. 4, 20, 85, 96; s. 13.92 (1) (hm) 2

NOTE: BUD

(end ins 1-2)

D-NOTE

H
Sara Hynek:

Because there is no special effective date provision in this draft, I will take effect on the bill's general effective date, which is the day after publication.

MZJ

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-1093/2dn
MES:jld:rs

January 22, 2009

Sara Hynek:

Because there is no special effective date provision in this draft, it will take effect on the bill's general effective date, which is the day after publication.

Marc E. Shovers
Managing Attorney
Phone: (608) 266-0129
E-mail: marc.shovers@legis.wisconsin.gov

Shovers, Marc

From: Hynek, Sara - DOA [Sara.Hynek@Wisconsin.gov]
Sent: Tuesday, January 27, 2009 9:41 AM
To: Shovers, Marc
Subject: LRB 1093-2 impose annual fee on TIF districts.doc
Attachments: LRB 1093-2 impose annual fee on TIF districts.doc

Hi Marc - DOR had a couple more small changes on this draft - I've attached their comments, could you make the changes?
Thanks.

01/27/2009

2009-11 LRB Draft Review

Date: January 26, 2009

LRB Number: 1093/2 & 2dn

Reviewed by: Susan Plakus

Brief Description of LRB Draft:

Presently, a fee is collected from a municipality when a Tax Incremental District (TID) base is determined or redetermined. After that, there are no annual administrative fees charged to maintain these TIDs during their lifetime. Work load continues annually which includes the additional processing of project plans without boundary changes, allocations of increment tax dollars from one TID to another and the annual certification of TID values for up to an additional 26 years. (Since 2000 the number of TIDs have increased 32%.)

This bill requires municipalities to pay an annual administrative fee of \$150 on each tax incremental district (TID) or environmental remediation TID (ERTID) for which DOR authorizes the allocation of tax increment. This annual administrative fee is in addition to the original fee to determine or re-determine the base value. The fee is imposed on the municipality or county that created the TID or the ERTID. Payment of the annual administrative fee is required by May 15th and prior to the annual certification.

Comments on Draft:

Since this annual administrative fee is an eligible project cost, it can be funded through tax increment revenues with all other eligible project costs. As a result, it can be argued that the fee is fair and equitable collection amongst all municipalities or counties with TIDs.

Changes Needed & Why:

1. Page 2, Line 2 add:

"and (6)(ae) and 66.1106 (7)(am) and (13)(b) to pay"

Reason: Reference dropped from original submission.

2. Add Effective Date: October 1, 2009

Reason: The fee will require development of a new form or an update of PA-480 (Tax Incremental Financing Remittance Fee. October 1st is the beginning of a new TIF cycle.

3. A change is needed under 20.566 to reflect the additional fees.

(2) STATE AND LOCAL FINANCE.

(hm) *Administration of tax incremental financing program.* should read:

All moneys received from the fees imposed under ss. 60.85 (5)(a) and (6)(am); 66.1105 (5)(a) and (6)(ae) and 66.1106 (7)(am) and (13)(b) to pay the costs of the department of revenue in providing staff and administrative services associated with tax incremental districts under ss. 60.85, 66.1105 and 66.1106.



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-1093/2

MES:ld:rs

Handwritten initials and a circled signature.

DOA:.....Hynek, BB0255 - Department of Revenue to impose annual fee on
tax incremental financing (TIF) districts

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

Handwritten note: "do not open" circled.

- 1 AN ACT ..., **relating to:** administrative fees imposed on tax incremental districts
2 by the Department of Revenue.

Analysis by the Legislative Reference Bureau

LOCAL GOVERNMENT

This bill requires DOR to impose annually an administrative fee of \$150 on each tax incremental district (TID) or environmental remediation TID (ERTID) for which DOR authorizes the allocation of a tax increment. The fee is imposed on the city, village, or town (municipality) that created the TID or on the municipality or county that created the ERTID, and the political subdivision on which the fee is imposed is required to pay by May 15 the fee to DOR.

For further information see the **state and local** fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

- 3 SECTION 1. 20.566 (2) (hm) of the statutes is amended to read:
4 20.566 (2) (hm) Administration of tax incremental, and environmental
5 remediation tax incremental, financing program programs. All moneys received

1 from the fees imposed under ss. 60.85 (5) (a) and (6) (am), 66.1105 (5) (a) and (6) (ae),
2 and 66.1106 (7) (am) ^{and (137)(b)} to pay the costs of the department of revenue in providing staff
3 and administrative services associated with tax incremental districts under ss. 60.85
4 and, 66.1105, and 66.1106.

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

5 **SECTION 2.** 60.85 (6) (am) of the statutes is created to read:

6 60.85 (6) (am) With regard to each district for which the department of revenue
7 authorizes the allocation of a tax increment under par. (a), the department shall
8 charge the town that created the district an annual administrative fee of \$150 that
9 the town shall pay to the department no later than May 15.

10 **SECTION 3.** 66.1105 (6) (ae) of the statutes is created to read:

11 66.1105 (6) (ae) With regard to each district for which the department of
12 revenue authorizes the allocation of a tax increment under par. (a), the department
13 shall charge the city that created the district an annual administrative fee of \$150
14 that the city shall pay to the department no later than May 15.

15 **SECTION 4.** 66.1106 (7) (am) of the statutes is created to read:

16 66.1106 (7) (am) With regard to each district for which the department
17 authorizes the allocation of a tax increment under par. (a), the department shall
18 charge the political subdivision that created the district an annual administrative
19 fee of \$150 that the political subdivision shall pay to the department no later than
20 May 15.

21 (END)



FNS2-70

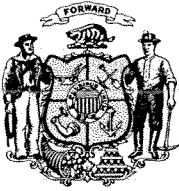
2009-2010 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1093/3ins
MES:jld:rs

1 INS 2-20

2 **SECTION 9443. Effective dates; Revenue.**

3 (1) ADMINISTRATION OF TAX INCREMENTAL DISTRICTS, FEES. The treatment of
4 sections 20.566 (2) (hm), 60.85 (6) (am), 66.1105 (6) (ae), and 66.1106 (7) (am) of the
5 statutes takes effect on October 1, 2009.



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-1093/3
MES:jld&kjf:ph

DOA:.....Hynek, BB0255 - Department of Revenue to impose annual fee on
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FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

- 1 AN ACT ...; **relating to:** administrative fees imposed on tax incremental districts
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For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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4 20.566 (2) (hm) Administration of tax incremental, and environmental
5 remediation tax incremental, financing program programs. All moneys received

1 from the fees imposed under ss. 60.85 (5) (a) and (6) (am), 66.1105 (5) (a) and (6) (ae),
2 and 66.1106 (7) (am) and (13) (b) to pay the costs of the department of revenue in
3 providing staff and administrative services associated with tax incremental districts
4 under ss. 60.85 and, 66.1105, and 66.1106.

***NOTE: This SECTION involves a change in an appropriation that must be
reflected in the revised schedule in s. 20.005, stats.

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6 60.85 (6) (am) With regard to each district for which the department of revenue
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9 the town shall pay to the department no later than May 15.

10 **SECTION 3.** 66.1105 (6) (ae) of the statutes is created to read:

11 66.1105 (6) (ae) With regard to each district for which the department of
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14 that the city shall pay to the department no later than May 15.

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16 66.1106 (7) (am) With regard to each district for which the department
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18 charge the political subdivision that created the district an annual administrative
19 fee of \$150 that the political subdivision shall pay to the department no later than
20 May 15.

21 **SECTION 9443. Effective dates; Revenue.**

(1) ADMINISTRATION OF TAX INCREMENTAL DISTRICTS, FEES. The treatment of sections 20.566 (2) (hm), 60.85 (6) (am), 66.1105 (6) (ae), and 66.1106 (7) (am) of the statutes takes effect on October 1, 2009.

(END)